



Board Hearing



Proposition 1B: Grants for FY2007-08 Funds to Reduce Emissions From Goods Movement

May 22, 2008 - Fresno



Air Resources Board

California Environmental Protection Agency

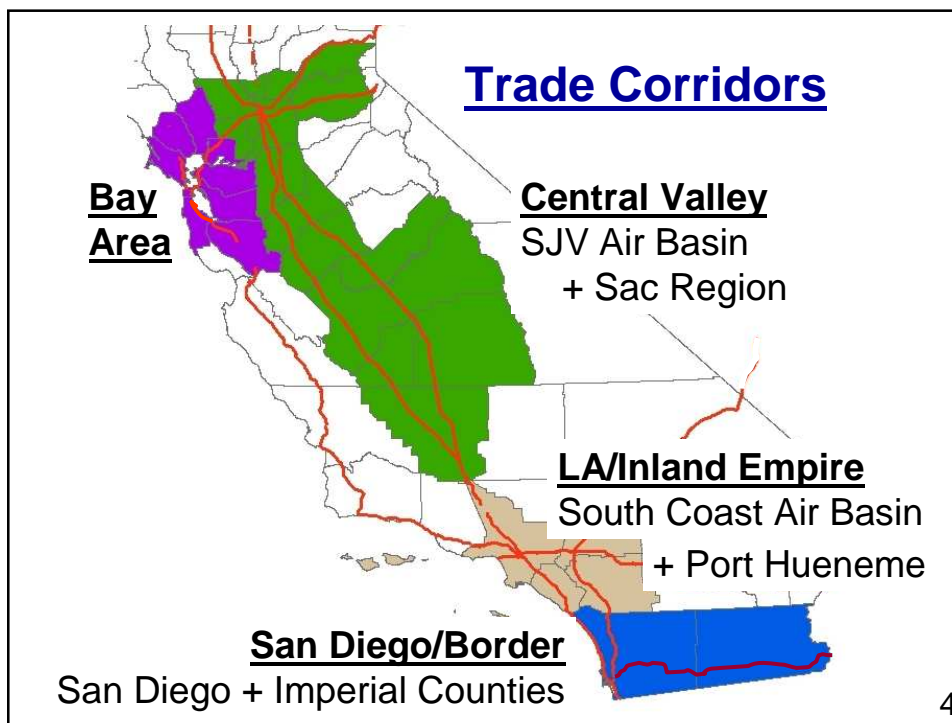
OVERVIEW

- Program background
- Application process
- Staff proposal
- Recommendation for Board action

Proposition 1B: Goods Movement Emission Reduction Program

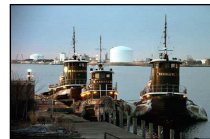
- \$1B to achieve emission reductions from freight movement in trade corridors
- FY2007-08 budget provided first \$250M
- ARB adopted Guidelines in February, plus funding targets and priorities
- Two-step competitive process
 - ARB grants \$ to local agencies
 - Local agencies provide \$ to equipment owners

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Funding Categories

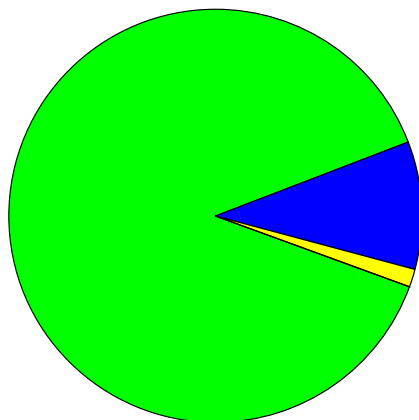
- Heavy diesel trucks serving ports & intermodal rail yards
- Other heavy diesel trucks, plus electrification of truck stops, distribution centers, etc.
- Freight locomotives
- Shore power for cargo ships, plus cargo handling equipment
- Commercial harbor craft



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FY2007-08 Funding: \$250M

\$221.6M: Grants to local agencies



\$25M: Early grants to
air districts

\$3.4M: ARB administration
(1.4%)

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FY2007-08 Funding Priorities

- Eligible projects ready for quick implementation
- Truck retrofit projects to add diesel PM filters
- Truck replacement at the Ports of LA/Long Beach



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Applications for \$221M

Trade Corridor	Funds Requested
Los Angeles/Inland Empire	\$415.0M
Central Valley	\$268.1M
Bay Area	\$33.1M
San Diego/Border	\$15.8M
Total	\$732.0M

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ARB Application Review Process

- Evaluated eligibility and compliance with Program Guidelines
- Requested clarifications and updates
- Posted applications for public review
- Scored using competitive ranking process (as applicable)
- Developed preliminary recommendations on which projects to fund and at what level

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Public Workshops

- Staff held workshops April 28th-May 2nd to discuss preliminary funding recommendations

- Fresno
- Oakland
- Long Beach
- San Diego
- Sacramento



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Staff Proposal



Starting Point

- Divide the \$221M based on the corridor targets approved by the Board

Corridor	Target	Bond \$
Los Angeles/Inland Empire	55%	\$122M
Central Valley	25%	\$55M
Bay Area	14%	\$31M
San Diego/Border	6%	\$13M

Proposal by Category

Category	#	Bond \$ Proposed
Trucks Serving Ports & Rail Yards	3,582	\$109.2M
Other Trucks + Electrification	4,649	\$89.1M
Locomotives	18	\$16.5M
Shore Power + Cargo Equipment	1	\$2.5M
Harbor Craft	17	\$4.3M
Total	8,267	\$221.6M

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Emission Reductions of Proposal

Trade Corridor	Bond \$	Reductions (tons)	
		NOx	PM
LA/Inland Empire	\$122.0M	12,160	751
Central Valley	\$55.3M	6,510	608
Bay Area	\$31.1M	5,650	363
San Diego/Border	\$13.2M	2,620	117
Total	\$221.6M	26,940	1,839

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Benefits of Staff Proposal

- Prioritizes truck retrofits and port truck replacement to quickly reduce health risk
- Directs 94% of funds to cleaner trucks and locomotives that may travel in multiple corridors
- Reduces 26,900 tons of NOx and 1,800 tons of diesel PM statewide
- Leverages \$1.5 of match funding for every \$1 of State funds invested

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Local Agency Project Backup List

- Backup projects in case local agency grant agreements cannot be executed or additional funding becomes available
- Priority for backup projects
 - Same corridor and category
 - Same corridor
 - Other submitted projects
- To be implemented by Executive Officer

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Proposal for LA/Inland Empire

Category	Bond \$ Requested	Bond \$ Proposed	Local Agency
Port & Rail	\$221.0M	\$98.0M	LA/LB Ports
Yard Trucks	\$83.5M	\$2.6M	South Coast District
Other Trucks+ Electrification	\$90.1M	\$18.3M	
Locomotives	\$6.2M	\$3.1M	
Shore Power	\$5.1M	---	
Harbor Craft	\$5.2M	---	
Cargo Equip	\$3.9M	---	
Total	\$415.0M	\$122.0M	

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Central Valley Corridor (\$55M)



Proposal for Central Valley

Category	Bond \$ Requested	Bond \$ Proposed	Local Agency
Other Trucks	\$249.4M	\$40.5M	SJV District
	\$8.4M	\$4.5M	Sacramento District
Locomotive (multi-corridor line haul)	\$10.3M	\$10.3M	
Total	\$268.1M	\$55.3M	

Bay Area Corridor (\$31M)



Proposal for Bay Area

Category	Bond \$ Requested	Bond \$ Proposed	Local Agency
Ports & Rail Yard Trucks	\$6.3M	\$6.3M	Bay Area District
Other Trucks	\$19.4M	\$17.4M	
Locomotives (switcher)	\$3.1M	\$3.1M	
Harbor Craft	\$4.3M	\$4.3M	
Total	\$33.1M	\$31.1M	

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San Diego/Border Corridor (\$13M)



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Proposal for San Diego/Border

Category	Bond \$ Requested	Bond \$ Proposed	Local Agency
Port & Rail Yard Trucks	\$2.3M	\$2.3M	San Diego District
Other Trucks	\$5.3M	\$5.3M	
	\$5.5M	\$3.1M	Imperial District
Shore Power	\$2.5M	\$2.5M	SD Port
Total	\$15.6M	\$13.2M	

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Schedule

- June • Sign grant agreements with local agencies
- Summer • Begin local agency equipment project solicitation
- Summer/ Fall • Begin local agency contracts with equipment owners
- Fall • Hold Board hearing to update Guidelines for next funding cycle

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Recommendation

Staff recommends that the Board:

Adopt Resolution 08-6 with the final list of local agency projects to receive FY2007/08 funding under the Program

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